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The story of co-operation

New York

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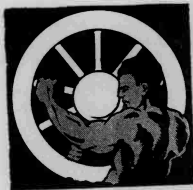
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The Story *of* Co-operation

By
AGNES D. WARBASSE

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1. Democratic control; one vote only for each member regardless of number of shares held.
2. Capital to receive interest *fixed* at not more than legal current rate, if interest is paid.
3. Surplus-savings ("profits") to be returned as savings-returns ("dividends") in proportion to the patronage of each individual. Surplus-savings may be used as a collective fund for the social benefit of the members, such as recreation, loans, insurance, medical and nursing care, etc., or it may be reserved for the expansion and development of the society.
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THE STORY OF CO-OPERATION

By AGNES D. WARBASSE

THE rise of the Co-operative Movement was one of the distinguishing features of the nineteenth century. This democratic association of men and women consumers, organized for the purpose of supplying their own economic needs, was quite apart from interest in the political state, although the movement for political democracy was born almost contemporaneously with it.

Before that time generation after generation goaded by poverty and injustice had made various attempts to better their conditions through joint action. But few of these efforts survived. Between 1815 and 1833 there began a widespread series of experiments. Robert Owen was the leader and prophet. At that time the wages of labor were not sufficient to purchase even the necessities of life. Men, women and children labored from the light of day until after the dark of night; they lived in abodes unfit for pigs; they received a wage which permitted only poor and inadequate food. While the great lands of the privileged rich were everywhere abundantly stocked with game, adjacent to them were the hovels of the hungry poor.

Hanging, deportation and long periods in the work-house were the penalties for catching hares on gentlemen's estates in those days. Although the privileged class numbered but one in ten thousand of the population, still most of the legislation of the time was aimed to protect their privileges.

The number of English working men hanged and deported during this period for exerting their energies to secure food for their families robbed England of much of its best human material and populated the British Colonies with some of the best English brain and brawn.

About this time collective action of the workers also began to express itself in the form of trade unionism, and the demand for better pay and shorter hours. To prevent this the property-owning class soon swelled the number of coercive laws by adding to the statutes, measures against the organization of working people. To talk organization was made a high crime. The strong characters who dared to do it were convicted and deported. To strike or refuse to work was against the law. Still the persecution, visited upon the workers by the State, served only to bring forth strength to resist it.

It was soon, however, noted by the workers that increase of wages or shortening of working hours did not help them as much as had been hoped. The extra cost of production was not borne by the fortunate owners of the tools of production and trade. The extra pay to labor was merely added to the selling price, and the production of profits went merrily on, while the consumer bore the burden. It was upon the consumer that the increased cost of labor was placed. And as the working people constituted

the largest class in society, the workers discovered that it was not the employers but the *workers* themselves who were paying their own increased wages. The only way for the workers to meet the increased cost of living was by *organizing as consumers* as well as producers. To meet this need the Rochdale Co-operative Movement, as it is known today, came into being.

WHAT IS ROCHDALE CO-OPERATION?

Co-operation is an organized effort of the people, free from politics, to control the distribution and production of the things needed to satisfy their wants. It may begin with organization to supply any human need. Thus for example a group of people may begin such a society to supply for themselves their simplest wants by conducting a grocery store. They each subscribe for one share of stock of their society. In England one may become a Co-operator with one shilling and three pence, although the value of the share is one pound. The remainder is paid out of the savings-returns, or "dividends" on purchases, instead of that amount being returned to the consumer.

With us in the United States the price of shares is usually fixed at \$10 each, although since the war many societies have made the price \$20, or have required members to take ten shares at \$5 each. It is not well for a grocery-store society to start with less than 200 members and \$5,000. It is better to have 200 members and \$10,000 capital. The more members and the more capital, the better; but no person who is friendly to Co-operation is denied admission, even though he has no money.

At first they buy at wholesale the most used commodities—sugar, flour, coffee, tea, eggs, etc. These they sell at the current *retail* price—not at cost—to their members. They save, after deducting operating expenses, the amount which represents the difference between the cost and the selling price (the profit that had previously gone to the merchant) and return it to the members quarterly *in proportion to their purchases*. The member who buys \$100 worth of goods in a quarter thus receives twice as much savings-returns as the member who buys \$50.

The difference between a Co-operative society and a commercial stock company is that in the latter the so-called profits are returned as dividends to the members in proportion to the amount of stock they own. But in the co-operative society the dividends are periodically declared in proportion to the members' purchases. In Co-operation the human need, as determined by consumption, determines the benefit; whereas in the capitalistic business, money makes money. "The membership in co-operative societies is ever open to newcomers.) The humblest adult, man or woman, of any class, race or creed, as soon as he has paid for his share, has a vote equal with the oldest member of the society, and equal with the member who has accumulated the maximum amount of share capital allowed.

The number of shares are unlimited, and are always obtainable at par. This prevents their speculative traffic. Contrary to the methods of the closed corporations, the increase of shareholders, in Co-operation, increases the pecuniary advantages of all. There is no temptation to restriction or exclusiveness. There is always a chance for the new member and the new idea. Growth rather than stagnant conservatism is the outcome.

The financial policy also differs in another respect from private business. A private company may borrow capital at any rate of interest. In

a co-operative society interest on borrowed capital is *fixed at the current minimum rate*. The utmost financial prosperity brings the co-operative shareholder no higher reward. (Capital in a co-operative society is hired at a fixed wage, just as the employees are. The services of both capital and labor are employed in the interest of the consumer.) In Co-operation there is popular control. This is different from a joint-stock business company, in which each share has a vote; one member owning 100 shares has 100 votes; property controls; money votes. In a co-operative society there is never but *one vote to one member*, irrespective of the amount of capital stock owned. Thus, in the latter, the most complete democracy of ownership and control is insured; not dollars, but human beings vote.

As co-operative societies grow larger, they acquire resources by which they may own their own store, and distribute to themselves all of their foodstuffs, clothing, and household goods. When the number of such societies has increased they find that the amount saved from the total amount of their purchases is sufficient for them to combine their surplus-savings for the organization of a wholesale society, and thus take the next step and cut out the profit of the wholesaler. And when still more societies have grown up and the turnover has become sufficiently great, the wholesale society, instead of buying from the importer and manufacturer, imports and manufactures for itself. When the last step has been taken, by which the co-operators acquire land and the natural resources for the supply of raw material, the economic problems of production and distribution are solved; commodities are then not only distributed for use, but produced for use.

Securing commodities at the cost of production is but one of the purposes of the Co-operative Movement. It takes advantage of this organization of people to serve their other needs. It introduces insurance against sickness, death, unemployment, accidents, and old age. It provides pensions for motherhood; makes loans to members; carries families on credit in the event of strikes and lock-outs; provides housing, education, recreations, club-houses, medical and nursing care, hospitals and sanitariums.

The funds for all these social purposes come from that same hitherto unavailable amount—the difference between the cost price and the selling price—the money which when spent in private business becomes the private tradesman's profit. These profits amount to more for the co-operators than for the private tradesman, for many reasons. Competitive business must advertise and employ expert salesmen; it must sustain the uncertain losses of the credit system; it must offer "specials" and undersell its competitors; it must sustain the enormous expenses incidental to placating political parties and influencing legislation; and it must carry on elaborate and wasteful methods of delivery and administration. The co-operative society, with the assured constant purchases of its members, suffers few such handicaps. Its savings are necessarily greater. Its increase of expenses over private business are only those arising from purchasing pure commodities and from giving labor higher wages and better conditions. A proportion of these savings always is set aside for the common welfare, a proportion for education and propaganda, and a proportion for expansion and development.

There is no need which can be socially supplied which the people cannot supply to themselves through their co-operative societies. While

the tendency is to begin with distributive stores, still societies begin with any of the social needs. Banking, manufacturing, and farming are carried on most successfully.

Yet, this is not the end; still greater benefits than these come to the co-operator. It is not alone that the things he needs are made more easily accessible to him; it is not alone that he is freed from the dangers and costs of diseased and adulterated food; it is not alone that he is spared exploitation by the vicious agencies of profiteering; it is not alone that pensions, insurance, and housing are made possible for him; it is not alone that recreation, art and education are rendered accessible. Co-operation does a greater thing than all these. It develops in the soul of man a new spirit. It makes him a co-operator. It takes hold of the fundamental and primitive instincts—to help one's fellowman, to be kind, to be generous, to render mutual aid—and encourages them. It teaches people to work together for their mutual benefit, that the concerns of one is the concern of all, that no man can cheat or be cheated without his neighbor also suffering. From him it asks but this: that, in joining a co-operative society he pledges himself to promote the new social and economic order toward which Co-operation is aiming.

All this is not a theory nor an utopian dream. It is the statement of a fact. It has come to pass.

THE EXTENT OF CO-OPERATION IN GREAT BRITAIN

In England in 1844 twenty-eight poor weavers, with no better destiny than the poorhouse before them, organized the Rochdale Equitable Pioneers Society. They began their store with four commodities, keeping open only in the evening. They had a vision and a method. From that small beginning in Co-operation there has never been a recession.

While some individual stores failed, even as they now do, the movement as a whole went from success to success, growing annually in volume and strength; developing from retail to wholesale, from domestic to foreign supplies, from merely buying together to manufacturing, from the production of material needs to such services as banking, building and insurance, from a capital of a few pounds to hundreds of millions. From this first effort in self-help begun by poor but farsighted workers, has grown a world movement of ever-increasing size and power.

Today the co-operative societies in Great Britain have a membership of four million families; this means over one-third of the total population. For forty years the movement has been growing five times faster than the population has increased.

Now—what do we find? The co-operative societies of Great Britain distribute over a billion dollars' worth of commodities to their members annually. The "profit," or more properly speaking, the *savings*, to their members amounts to one hundred million dollars a year. Of this amount sixty-five million dollars annually are returned in cash to the members in the form of "dividends," or savings-returns. The British Wholesale Society supplies 1,500 societies. It owns its own steamships. It has thirteen great warehouses. It is the largest purchaser of Canadian wheat. Steam trawlers owned by the co-operatives catch tons and tons of fish, which are dried at fishing stations in the north of England. Its eleven

flour mills are the largest in Great Britain. These mills turn out thirty-five tons of flour every hour for the people who own the mills.

One of the largest bakeries in the world is owned by the co-operators of Glasgow. The British Co-operative Wholesale has sixty-eight factories which turn out products for their societies' use, valued at thirty million pounds annually. Their soap works make five hundred tons of soap a week. They produce four million pairs of boots annually, in the largest shoe factories of England. They conduct three great printing plants. They even operate automobile factories making motors for their own service. They own their own coal mines.

They bring their own currants from Greece to be made into plum-puddings in their own great factories. Beside foodstuffs the British Co-operators now produce almost every other commodity: watches, furniture, tinware, machinery, clothing, tobacco, chemicals, leather goods, and brushes. Their total products are five times greater than those of the private manufacturers in the Manufacturers' Association. They provide concerts and entertainments. Their social work embraces most every branch of human service; it serves not Co-operators alone, but is of wide public benefit. They conduct life-saving stations on the coast and administer large funds for the relief of sufferers from famine and unemployment. Their banking department, with an annual turnover in 1919 of five hundred million pounds, is next to the Bank of England in importance. Its growth is steady. In the first half of 1920 its turnover increased 26%. One-half of the industrial life and accident insurance in Great Britain is written by the co-operative society. Their life insurance business is carried on at a cost of one-fourth of that which the profit-making companies pay.

The outstanding feature, however, about this voluntary association of consumers in the British Co-operative Movement is its great and continued success extending over nearly a century. This success is alike in retail distribution, in wholesaling, and in manufacturing. It remains even in its present prosperity, as it began, an enterprise essentially of the wage earners. The members themselves, by combining their individual savings, have at all times supplied the capital that their enterprises have required, without borrowing from bankers or the public. They have proved that the Rochdale Method removes the need of capitalistic credit or philanthropic assistance; that in the whole range of their great and varied enterprises, they need pay no toll to anyone outside of their association.

It is interesting to note in Great Britain that while co-operative labor gets slightly higher wages than are paid in the same trade in private business, yet its managers and leaders have salaries that would be scorned by captains of industry in competitive organizations of similar character. The Movement is training thousands of highly efficient executives. Some go into capitalistic employment; most of them remain loyal to the Movement. One, upon being offered a position with higher pay in private business, said: "My fellow co-operators pay me sufficient to satisfy my needs. I am happy *serving the people*. I should not be happy serving you at the expense of the people." He is no exception. Amongst many others such as he, is William Maxwell, President of the Scottish Wholesale, a federation of two hundred and sixty-six consumers societies. At a yearly salary of 350 pounds, he organized thirty-seven factories in twenty-

seven years. In 1919 the Scottish wholesale manufactured over six million pounds' worth of goods, it did a business of over twenty-seven million pounds, and carried a reserve and insurance fund of one million, two hundred thousand pounds. The sales of the first half of 1920 showed an increase of 27%. President Thorpe of the British Co-operative Wholesale at present receives 850 pounds yearly. He has thirty thousand workers under his direction, in sixty-eight factories, mills and warehouses. The directors of the Wholesale receive a yearly salary of only five hundred pounds. This wholesale society in 1920 did a business of one hundred million pounds, an increase of 23% over 1919.

In 1919, the British and Scottish Wholesales together did a business of one hundred and fifteen million pounds. In Great Britain they are steadily acquiring farms, now totaling thirty-four thousand acres, valued at over two million pounds, on which are produced quantities of fruits, vegetables and dairy products. They own ten thousand acres of Canadian wheat-lands. The British and Scottish Wholesales together own sixty thousand acres of tea plantations in Ceylon and Southern India. The British Wholesale owns vineyards in Spain and controls vast tracts of land in West Africa for the growing of palm trees, from which oil for their soap factories is procured.

The extension of consumers societies into agricultural production is most important. The proceeds from these productive enterprises are devoted to the further acquisition and development of original sources of supply both at home and abroad.

The Irish Co-operative Movement is primarily agricultural. The co-operative creameries, agricultural societies, and credit unions have practically regenerated Ireland. Previous to the organization of the co-operative creameries, the quality of Irish butter had deteriorated to such an extent that the charge was made in all seriousness by a Member of Parliament that Irish butter was used for the adulteration of oleomargarine. The co-operative creameries have improved the quality of Irish butter, so that their product can hold its own in the market. In 1907 there were 350 co-operative creameries, having a turnover of more than five million pounds. These creameries are run on the Rochdale plan. In addition to the creameries, there are more than 200 agricultural co-operatives for the purchase of fertilizers, seeds and machinery. The credit union has also accomplished miracles for Irish agriculture. It enables poor farmers to buy machinery and fertilizers, and to acquire land. There are more than 225 credit unions, making thousands of loans each year. In all, there are 938 co-operative societies affiliated with the Irish Agricultural Organization Society, Ltd., which comprises a membership of 113,000 farmers. The total business of the society is seven million, five hundred thousand pounds annually.

Although the co-operative societies were a potent influence in stabilizing prices and saving the British people from ruthless exploitation by the profiteers, England was the sole country in Europe that failed to take advantage of the services and splendid organization of its co-operators in the administration of the production and distribution of commodities during the war. Instead, the government discriminated against them and combined with private business to cripple the co-operatives.

The British Movement goes on with gradual but continuous progress with the end in view of obtaining ownership of all the natural resources necessary to meet the needs of the consumers.

By means of an efficient system of exchange between co-operative societies of all lands, coupled with the ownership of transportation facilities, ships, barges, motor lorries, etc., by which products can be sent directly from the most fertile and adequate sources to the people who need them, the Co-operative Movement is taking its place in the great world revolution, the aim of which is that neither labor nor products shall be bartered for private profit, but that goods shall be produced and service rendered for the single purpose of meeting human needs.

RUSSIA

Russia before the war was not only weak in Co-operative Societies but those that did exist were persecuted by the government. The war saw the almost complete breakdown of Russian industry, due to the isolated condition of Russia, and the deliberate sabotage of the Russian government. Private business was unable to meet the daily needs of the population, and the government of the Tsar was forced against its will to lift the restrictions which had been imposed on the co-operatives. Were it not for the activities of the co-operatives at this time, great masses of the people and the armies of Russia would have starved to death.

With the growth of the revolutionary movement the societies increased until the Russian Co-operative Movement became the largest in the world. Fifteen years ago there were only about five thousand Co-operative Societies of all kinds. By 1919 the number had increased to eighty thousand, with thirty million members. Upon the basis of the head of a household representing five people, this means one hundred and fifty million people. The business done by the consumers' societies in 1919 was ten billion roubles; the producers' did the same.

Nothing was more significant of the revolutionary transformation of the Russian government after the Tsar was deposed than the prominent part assigned to the co-operators in the national organization, by Kerensky. The posts of the Deputy Minister of Agriculture, Director of the Supplies Committee, and the Minister of Commerce and Industry, were all filled by leaders of the Co-operative Movement. Outside of the political field the people also were active in the promotion of co-operative societies.

Up to the period of the second revolution the Moscow Narodny (or People's) Bank was the heart of the Co-operative Movement of Russia. It constituted a joint federation of local credit unions and consumers' and peasants' agricultural societies. Shares were held only by these groups, not by individuals. Its business was confined entirely to transactions within these societies. It did not accept deposits from, nor did it advance loans to private enterprises. During the year 1917 it did a business of six billion roubles. In November, 1918, the bank had a capital of one hundred million roubles, and deposits amounting to six hundred million roubles. The Moscow Co-operative Bank used part of its funds, amounting to fifty thousand roubles, "for the collection and preservation of art," and granted fifty-seven thousand roubles to the Co-operative University of Shamaosky. During the last frantic year of the war, this great institution, quietly set aside, all told, four hundred thousand roubles for cultural

and educational activities. While soldiers and diplomats of the Allied Central Powers struggled for power and booty, Russian Co-operators held aloft a torch of light.

The Russian agricultural movement is strongest in Siberia. Flax, hemp, furs, timber, tar and bristles are produced almost exclusively by the co-operators. There are more than one thousand creameries, producing 95 per cent. of all the Siberian butter, and eight hundred related distributive societies, with a turnover of over a hundred million roubles annually. There was a large and rapid growth of distributive societies among the peasantry due to the high prices charged by the village shopkeepers taking advantage of monopoly, during the war. The drop in prices caused by the appearance of a co-operative store in some provinces was from five to forty per cent.

In September, 1918, a Co-operative University was opened at Moscow. Over a million and a half roubles were required to cover its first year's budget; this was contributed by the co-operative societies on a basis of a percentage of their turnover. The aim of this unique educational institution was to train and qualify workers for the Movement. It was hoped to develop it into a real training ground for the workers in the reconstruction of Russia.

In August, 1918, sixty-five per cent of the food of Central Russia was distributed through the Co-operative Movement—the rest by the local food committee of the Soviets. The Central Union embodied eleven hundred societies with a turnover in 1918 of a hundred million roubles.

When the Bolsheviki came into power, the co-operatives were the chief instruments of production and distribution. The new government at once undertook the task of controlling the production and distribution of food and other essentials. Apart from the fact that this followed from the philosophy of the Communists who had acquired power, the blockade instituted by the Allies and the breakdown of private industry made central governmental control seem necessary to the Soviet Government.

Accordingly, the government by various decrees, began to exercise control over the co-operatives. By the decree of April, 1918, every consumer was compelled to become a member of his local consumers' co-operative. On March 20, 1919, another decree effected the consolidation of all the consumers' societies and stores, as well as the co-operative productive agencies, into one nation-wide Consumers' Commune. The control of the Consumers' Commune is vested in the hands of any persons qualified to vote in the soviet elections. They elect the board managing the co-operatives. Local communes are federated into unions of larger districts, and the delegates from the provinces elect the central body controlling the co-operatives, the Centrosyus.

In 1920 all distributive organizations, co-operative or non-co-operative, had been taken over by the state. The payments on shares in co-operative societies have been returned to the shareholders, and the property of the societies is now the property of the government. In January, 1920, the agricultural co-operatives also came under the control of the economic system of the state. The Moscow Narodny Bank suffered the same fate.

In short, the vast network of the co-operatives in Russia—consumers, banking, and agricultural—the greatest voluntary Co-operative Move-

ment in the world, which served the people effectively in their direst need and without which the overthrow of the Tsar's autocracy might not have been accomplished, is now completely absorbed by the political state and as a voluntary movement is destroyed.

BELGIUM

The Co-operative Movement in Belgium is peculiar. The surplus savings are not returnable to the members in the form of cash but are used for social welfare purposes. This money is used for doing for the members of the co-operative societies what the socialized state does. Old age pension, life insurance, insurance against sickness and unemployment, maternity benefits and medical and nursing care are provided. Those beautiful buildings in Belgium called "the houses of the people" are owned by the co-operative societies. These community centers are used for meetings, dramatic presentations, schools, and recreation. About some of them are parks where fine music is rendered, mothers sew, fathers talk, and children play.

The Maison du Peuple in each district is the symbol of the triple alliance of the co-operators, socialists and trade unionists—three movements which have grown, trained and organized together.

Far from being wiped out by the war the Co-operative Movement in Belgium continued to progress despite its losses. In 1920 its total membership was 350,000 and the business done by the Belgian Wholesale was over fifteen million francs. In the "Vooruit," the pioneer society in Belgium, during the first year of the war there was a large increase in membership, a turnover of over five million francs, which is an increase of more than fifteen hundred thousand francs over the last year of peace; and fifty-four thousand dollars was added to the Provident Funds to be used for disablement, sickness, emergencies, also for science, art, and grants to students in connection with the new Festival Palace opened in 1915.

The peasants' league, "Boerenbond," with its credit banks, which in 1915 increased their membership to twelve hundred, had a turnover of sixty million francs, larger than ever before. Its loans and its distribution of seed, fertilizers and food, did much to promote the economic morale of the rural population. More than three hundred co-operative societies are rebuilding the areas devastated by the war.

The granting of a credit of three million francs by the British and Scottish Wholesales helped to rehabilitate Belgium and proved the international solidarity of Co-operation.

FRANCE

The French Co-operative Movement had its beginning in 1832. Previous to the war, agricultural Co-operation numbered about ten thousand societies, such as dairies, cheese factories, etc. In 1911 the workmen's productive societies, a special French form of Co-operation, with a turnover of sixty-four million francs annually, did a large business in their leather, jewelry, textile, glass and chemical workshops. The Magasin de Gros, the Wholesale in Paris, composed of fourteen hundred affiliated societies, including two boot and shoe factories, had a turnover in 1919 of one hundred and fifty million francs. Its capital exceeds three million francs. The productive enterprises of the Wholesale produced goods valued

at fourteen million francs, three times that of 1917. In 1919 the trade of the 4,000 distributive stores, restaurants and bakeries amounted to almost one billion francs. They serve more than a million members. This is a triple increase since the beginning of the war.

A significant development in the French movement was the amalgamation in May, 1920, of two large co-operative federations in Paris. The new society maintains three hundred establishments, comprising grocery stores, eighty butcher shops, restaurants, cafés, pharmacies, etc. The membership of 55,000 represents more than two hundred thousand consumers, and with the addition of the non-member consumers of these stores, half a million consumers supply their wants at these stores. The turnover is conservatively estimated at ninety million francs annually. Their subscribed capital is more than five million, five hundred thousand francs.

French rural loan banks play an important part in the French Co-operative Movement, providing capital for individual, agricultural and manufacturing enterprises. They have always relied to a great extent on state loans, more than half of their deposits coming from this source. This is peculiar to the French Government in its relation to the Co-operative Movement.

During the war the French Co-operative Movement had at least one-third of its stores situated in the districts within the war zone. Those stores that were not destroyed by gun-fire were cut off from fresh supplies, owing to transportation difficulties, and in many instances abandoned. Those that remained standing were frequently used as places of hostage. The Federation of French Distributive Societies did valiant relief work. It opened co-operative restaurants for war workers, and opened municipal kitchens, selling at twenty per cent below market rates; it created workshops for the unemployed, and regulated the distribution of scarce commodities. This work prevented the rise of prices and assisted in fixing maximum prices.

Parliament in 1917 passed laws favorable to the co-operatives, and authorized two million francs of credit to co-operative societies. Since then, ten million francs have been loaned by the government for rebuilding the co-operatives in the invaded sections. More than 130 artisans' societies are federated and engaged in rebuilding parts of the country destroyed by war.

GERMANY

In contrast with England, Scotland, France, Russia and Belgium, Germany had the beginning of its co-operative associations outside the wage-earning class. The Germany of 1850 was essentially a land of production on a small scale, of peasant farmers, craftsmen and little independent tradesmen. The co-operative bank in Germany was its first form of Co-operation. Schulze-Delitzsch was the founder of the middle class credit associations which still retain their character, while Raiffeisen advocated another form of banking, in which character was the basis of the individual's banking security. Many an industrious farmer or honest craftsman of this period, with assets too trifling to gain a moment's consideration from an ordinary bank, was helped to success by the Raiffeisen banks. On the other hand, it mattered not what security the lazy or drunken or shiftless had to offer; they could get no advance from a co-operative bank.

One writer notes the effect of this as follows: "Before the co-operative banks were in existence the buildings were rickety, the farms dirty, untidy and mortgaged, and the farmers drunken and quarrelsome. Today with a Raiffeisen bank in the neighborhood, the farmers own, free from debt, their tidy, well-kept farms, and form a prosperous, harmonious settlement."

By 1898 the wage-earners, who were heretofore indisposed to take kindly to Co-operation, realized the advantages to be gained. Working-class co-operative stores rapidly increased in number. Since the armistice the moral reputation which the Co-operative Movement won as the protector of the economically weak is of the greatest value. The large masses of the German people are placing, to an ever-increasing extent, their confidence and trust in Co-operation.

In most of the essential features, the German and British movements are identical—democratic control, membership open to all, and distribution of savings returned based on the amount of purchases. Previous to the outbreak of the war, all civil service employees, and these form a large portion of the working-class, were prohibited by the government from joining these "revolutionary" co-operative societies. Since these restrictions have been removed, the membership is steadily increasing, until now over three million members who, with their families, represent one-fourth of the population, are served by the movement. Under the Kaiser restrictive laws, coercive regulations, exceptional vindictive taxation and commercial discrimination in favor of private competition were all formerly directed by the State against the consumers' distributive societies. This was in sharp contrast with the policy of favoritism and state aid shown by the government toward agricultural co-operation.

Co-operation in Germany has a closer relationship with the Trade Union Movement than has existed in Great Britain. A larger percentage of the membership also is found in the large cities and industrial centers than in England, where two-thirds of the members come from the middle-class population of the small towns and villages.

Vigorous committees on membership are another characteristic feature of the German Movement. They perform the fourfold purpose of canvassing for additional members and trade, communicating to the societies' officers the demands and complaints of members, formulating suggestions for improvements in the stores, and promoting works of self-help among the members, notably various forms of insurance. Where these membership committees are organized, remarkable increases in membership, a ready response to new departures, and a vitality and energy not so prevalent elsewhere are found.

The difficulties confronting the German Co-operative Movement since the armistice have seemed almost insuperable. The purchasing power of the mark fell to less than one-tenth its normal value, so that importations could not be made to replenish the scanty stocks of the co-operatives. Prices of goods went sky-rocketing. In the meanwhile, the railway system broke down, under the demands of the Allies for rolling stock and coal, which tended to further cripple the whole economic system of the country. But the people are turning more and more to Co-operation to attain the socialization of industry, which is now the aim of the German people. In spite of all the difficulties, the membership and trade of societies has more than doubled since 1914. There are over three million members of consumers'

societies, doing a trade in 1920 of one billion marks, with as many members again in banking, agricultural, producers' and dwelling associations.

The savings deposits in the nineteen thousand co-operative banks in the third year of the war amounted to one hundred million marks.

A striking illustration of this recent progress of Co-operation is the local society "Produktion" in Hamburg, founded in 1900, but perhaps the largest single co-operative in the world. When the war broke out, the membership of this organization was eighty thousand; when the armistice was signed, in spite of the heavy toll taken of Germany's manhood, the number of members had increased to over one hundred thousand. In 1919 it operated a hundred grocery shops, thirty-five butcher-shops, and sixty-three bakeries. The annual business done amounted to over forty-four million marks. More than one million dollars is paid annually in wages to its thousand employees in its various departments—banking, housing, insurance, and manufactures. "Produktion" alone has twenty million marks on deposit in its local savings banks.

Unfortunately the war frustrated many schemes which another wholesale society, the Central Union of German Distributive Societies, was in readiness to undertake, with the necessary capital running into millions. Flour mills, candy factories, chemical, box, biscuit, soap and macaroni factories were all but started. The existing factories of the Wholesale were forced to sell their products to the Government while its own societies were discriminated against. But in 1919 the restrictions were removed, and the Wholesale more than doubled its business. It had a turnover amounting to 350,000,000 marks. One thousand five hundred consumers' societies are federated in the Central Union, which numbers three-fourths of the membership and trade of the consumers' associations of Germany. The turnover of its bank in 1919 was almost 250,000,000 marks. The Wholesale has recently acquired a new weaving factory, a chocolate and sugar factory, a brush manufactory, a timber industry in Rhenish Westphalia, and a factory for shop fittings and office furniture. In addition to these, it owns a tobacco factory, several large soap factories, two match, and three sugar factories.

The head office in Berlin is partly a warehouse, partly a factory, partly bank, and is typical of similar institutions in other cities. Daily distribution of its stocks are made by motor trucks to its many branches. Baking of bread and cake is done on a large scale under most hygienic conditions. A banking system is in operation for members and their children, with accounts running into more than ten million marks. Employees are housed in modern workmen's dwellings belonging to the Union. A spirit of industry and fellowship is apparent throughout the entire wholesale, a condition showing that the co-operative feeling is a fact within the organization and not simply a business theory. Offices for the foreign trade division and warehouses of the Union are maintained in Hamburg for its foreign and domestic purchases, from which port distribution is made to the thousands of stores through their headquarters in various cities.

This progress proves the indestructibility of the idea of the Roehdale Pioneers in the face of stress, and gives assurance of still greater success in the new times coming, when, in the words of the German Co-operators at the Nurnberg Congress in 1917 "this wholesale murder and this con-

tinued destruction of the work of civilization shall cease. Larger and larger grows the number of those who in their hearts have realized the truth of the old German co-operative motto: 'Co-operation is Peace.'"

ITALY

There was one member of a co-operative society to every twenty-three inhabitants in Italy in 1913 as compared with one in every sixteen in Great Britain, and one in every thirteen in Germany at the same period. There are now ten thousand societies in Italy, compared with three thousand before the war.

All forms of co-operation are represented in Italy, consumers' societies leading in the number of members, the agricultural movement in the volume of trade, and the labor movement in the number of societies. These co-operative trade unions of builders, navvies and day laborers specialize in labor contracts for the erecting of public buildings, road making, canals and railways. They have paved the streets and built abbatoirs at Parma. They laid the Reggio-Clano Railway and took a lease of it for seventy years. The Director General of Public Service in an official publication gave this testimony: "Public works undertaken by co-operative syndicates do not cost more than those of private contractors, whereas the root of contention is extirpated from the very beginning and the quality and stability of the work assured." When the metal trades workers seized the factories in 1920 and attempted to operate them on a co-partnership basis, they were supported by the co-operative stores' banks.

The Italian Government turned over to the Garibaldi Society, a co-operative connected with the Seamen's Union, five former German ships, aggregating 40,000 gross tons. Each member of the union pays 10% of his earnings into the co-operative society until he has paid in 5,000 lire. Twenty million lire have been paid in, and the total capital which the society is seeking to acquire in order to own and operate ten ships, is 250,000,000 lire. The Seamen's Union mans the ships, which are engaged in international trade. The profits go to the society.

Labor co-operation in Italy represents an exceptional force in the economic reconstruction of the nation.

The estimated turnover of all the societies apart from credit organizations in 1918 was about one billion lire.

The Italian Central Co-operative Bank, whose financial transactions for the co-operative societies in 1918 amounted to over one billion lire, only organized in 1913. Its services have been increasingly beneficial to the progress of Co-operation in Italy.

The decision of the Italian Government in 1918, as a result of the war, to establish government co-operatives, working hand in hand with the local societies in Milan, Florence, Rome, Geneva, etc., "marks the greatest advance yet made by any government in assuming responsibility for lowering the cost of living." The decision of co-operative societies to receive state subsidies is nevertheless in direct conflict with the resolutions unanimously passed at the International Co-operative Conference in Budapest in 1904, and never since rescinded.

DENMARK

One of the smallest countries in Europe, once torn in twain by Prussia, stands out today in bold relief because of its prosperity, education and contentment. The main factor which has chiefly helped to raise Denmark to this position has been Co-operation. The movement began in 1880 and grew gradually among the peasants, based on the knowledge of the benefits they had derived from mutual help for generations past. They had learned to know and trust one another because they had been accustomed to share in common the management of their village communities, much as they did in Russia. (Denmark now leads the world in the number of Co-operators in her population.) The agricultural purchase and sales societies, dairies, bacon factories, slaughteries, etc., exceed the distributive societies whose development has been of later date but quite as important. This may prove that the rural population is more wide awake than the artisan class. The use of experts to maintain the quality of all their dairy products and keep them as near perfection as possible is the way the farmers meet the competition of private business.

In 1918 the Danish annual trade in all of these undertakings was about two hundred and fifty million dollars. All the needs of the people are met through some form of Co-operation.

The Danish Co-operative Wholesale Society in 1919 almost doubled its turnover, which amounted to 130,000,000 crowns. In the same year it manufactured goods to the value of 27,600,000 crowns. It owns a bicycle factory, a chocolate, soap, coffee roasting, confectionery, tobacco, and margarine factory.

In 1919 the Danish co-operative bank, with outstanding loans amounting to eight billion crowns (two billion dollars in normal exchange) carried the farmer over his temporary difficulties. The bank is constituted of co-operative societies of all types: savings banks, credit unions, and individual members. There are 70 co-operative banks belonging to it. It is the financial backbone of the whole movement.

Mutual insurance societies, with an annual intake of about five million dollars, and a sanatorium which administers about fifty-five thousand dollars a year in preserving the health of its members, also lend strength to the movement. In fact, "it is becoming more and more clear that in Co-operation is to be found the only effective and legally unexceptionable means against the modern trusts."

FINLAND

The northern Scandinavian countries have been less affected by the war than those on the Continent. Their story too is less dramatic, but just as encouraging in its steady progress. Over three thousand co-operatives are united in two powerful federations. The older one, commonly called the S. O. K., was founded in 1905. It has an affiliated membership of two hundred thousand, in its five hundred societies. In 1918 a left-wing wholesale was organized. It is growing rapidly and already has over a hundred thousand members in ninety societies. Co-operative farms, credit unions, stores, telephone societies, as well as a number of agricultural buying and selling agencies, unite more than one-half of the population of Finland in societies which serve the people's needs without private profit.

NORWAY

The movement in Norway is not so large as in Finland, but its activity and service is increasing rapidly. Last year the eighty thousand members in their distributive societies did nearly double the amount of trade of the year previous. It amounted to seventy million crowns.

SWEDEN

This neighboring neutral state has over three times as many members and affiliated societies (over nine hundred) in its Union as Norway. The same is true of its growth in business. In 1919 its business amounted to nearly three hundred million crowns.

SWITZERLAND

The wide development of Co-operation has always been one of the distinctive features of the little Swiss Republic. The pioneer Rochdale society on the continent was opened in 1851 in Fontanemelon.

The heads of one-third of all the households of Switzerland are members of co-operatives. The Union of Swiss Distributive Societies, with sales of its societies amounting to three hundred million francs, is proud to record an increase in its trade of over one hundred per cent since the first year of the war. In addition to this it has recently advanced large funds for the establishment of a co-operative village near Basle, of one hundred and eighty houses, each equipped with modern comforts and surrounded by a garden. These four room and kitchen houses will rent to the members of the co-operative society at an average of a thousand francs a year. Provision in the colony is made for co-operative stores, an assembly hall, a gymnasium, restaurant, a children's playground, a school and a library. The Swiss Union conducts a number of factories. Much attention is given to co-operative education. The nine publications of the Union are models of literary and co-operative excellence.

✓ The Swiss Union of Raiffeisen Societies had an annual turnover of almost 200,000,000 francs in 1919.

Co-operative insurance was also recently inaugurated by the Swiss Union, with the active support of the trade unions, and gives promise of great success.

Many rural farms for the direct supplying of fresh vegetables and dairy products have been acquired by the consumers' societies—a step in the elimination of the middleman's profits.

✓ The agricultural societies, especially the co-operative dairies, for butter and cheese making, and the cattle breeding and pasture societies, overshadow the distributive ones in numbers. The training of the farmers on their co-operative farms has matured their capacity for management on a large scale. By extending their enterprise they spread the spirit and methods of organization and thus prepare themselves for higher functions. What the politicians have failed to do in this and other lands, the Co-operators may do when the lands and resources pass into the hands of the people.

AUSTRIA

Though the seeds of Co-operation were planted in Austria over half a century ago, the main growth has been in the last ten years.

Up to the period of the war, the co-operative credit societies had twice the membership of other forms of co-operatives. They were of valuable assistance in financing the agricultural societies. The next largest class was that of the various types of agricultural societies; but during the last few years, and especially since the war, distributive societies have shown the most rapid growth.

(The movement in Austria has passed through war, the blockade lasting five years, and finally, the dismemberment of the nation.) Over three hundred German societies were forced apart from the Austrian co-operatives. They have joined the organization in the Czech Republic. The flourishing society in Trieste is now no longer a part of the Austrian movement. "Austria is a mutilated trunk bleeding to death. We are deprived of all economic necessities of life. The Co-operative Movement, which was so well developed among the German people, has been separated among a half dozen foreign countries. Still we do not despair." But Co-operation is a greater power than ever before in Austria.

(The Union of German-Austrian Distributive Societies (known as the Central Union) has grown by leaps and bounds. Dr. Karl Renner, President of the Central Union of Austrian Distributive Societies, became Chancellor of State in 1918, and was one of the peace envoys at Versailles. The membership of its affiliated societies in 1919 was nearly four hundred thousand, three times greater than at the beginning of the war. Its reserves in 1919 were six times the size of the reserves in 1914; the savings deposits of members increased over three times; while the sales increased to seven hundred million crowns, or thirteen times the amount of the 1914 sales. Profits did not keep pace with the increase in turnover. This enormous increase is somewhat attributable to the rise in prices. In Vienna the co-operatives provide for the wants of one-half of the population; two million people, or one-third the population of German-Austria are served by the co-operative societies.)

At the Second Convention of the Austrian Co-operatives held at Linz in November, 1920, the co-operative societies publicly offered to assume the grave responsibility of feeding the nation. They declared the government had failed to make any progress in the task of feeding its six million citizens, most of whom were directly dependent upon the state for work. But the government ignored the offer of the only group organized to effectively meet the needs of the people. Two months after this offer was made, Austria publicly declared itself bankrupt; both unable to pay its public employees, or to provide food for its starving population.

HUNGARY

The story of the Consumers' Co-operative Movement in Hungary centers around its great wholesales. The trade of the Hangya ("The Ant") in 1919 amounted to two hundred and ten million crowns. This amount of trade although nearly double that of 1916 is not so large as it seems, due to the low value of the crown. Nevertheless it probably represents the maximum purchasing power of the impoverished people—another cruel result of the war.

The Hangya receives products from the factories and fishing stations which it operates as far away as Sweden, Norway and Holland. In its

homeland, it manufactures soap, brooms, candy, flour, matches, wine and beer. Agricultural and dairy products were continuously supplied to it from its own farms, heretofore in larger quantities than it can obtain now since Hungary's dismemberment among its greedy neighbors.

(The General Distributive Society at Budapest is the workingmen's consumers' organization in Hungary.) Despite the troublous times, its two large warehouses serve the members in sixty-six grocery stores, thirty-six butcher-shops, dry-goods stores, and a large restaurant. In 1919 nearly two hundred thousand members did a trade of over two hundred million crowns, and in 1920 it was more than doubling these latter figures.

Mainly through the initiative and unflinching zeal of Count Alexander Karolyi, nearly four thousand consumers' societies were affiliated in a strong central union. Count Michael, nephew of Count Alexander Karolyi, was the first President of the new Hungarian Republic as soon as the revolution was accomplished in 1918 and the Hapsburgs overthrown. During the war, he steadfastly worked with the co-operators; he fought Pan-Germanism and declared in favor of peace without annexation or indemnities, although his efforts as yet have not resulted in the true economic and political democracy he so earnestly worked for with the Hungarian people.

CZECHO-SLOVAKIA

The political chaos due to the splitting up of the Austro-Hungarian monarchy into various national states affects the movement acutely at present. The Czech societies in Bohemia, Moravia and Silesia have had to separate from the Austrian Central Union. The united work of seventeen years was terminated by the dismemberment of Austria. These societies have united with a Wholesale Society at Prague, organized in 1909.

Since the war the growth of the Wholesale, which is composed chiefly of labor consumers' societies, has rapidly increased. In 1916 the trade amounted to twenty-three million crowns. In 1919 it had increased to one billion, three hundred million crowns. It is generally handicapped by the low rate of exchange in supplying its societies with imported goods, but in spite of these unfavorable conditions, its trade in imported textile goods in 1919 amounted to fifty million crowns. The prices were 50 per cent. cheaper than those current in private stores.

The Czech Co-operative Union unites all forms of affiliated societies in its membership. It has four hundred consumers' societies, as well as producers, credit, agricultural and housing organizations.

OTHER EUROPEAN COUNTRIES

The development of Co-operation in the other European countries is as significant as in those already mentioned. In every country the Co-operative Movement has stood between the people and profit-making business. It has kept down prices and prevented profiteering by establishing standards in the cost of production and distribution. Every country has witnessed struggles between Co-operation and the trusts; Co-operation has usually won, but the struggle is not yet over.

In Spain and Portugal, although the actual numbers are small, nevertheless the co-operatives play an important part in the people's welfare.

Solitary Iceland has forty co-operatives, supplied by a Wholesale Society. Half its population of 90,000 purchase their goods through the co-operatives.

JAPAN AND INDIA

Co-operation is not confined alone to the continent of Europe. In far away Japan and in India, we find the movement has taken firm root. In both countries it has been encouraged by the government; and in both, credit and agricultural societies predominate. In 1913, Japan had nine thousand consumers', producers', and credit societies, with about nine hundred thousand members. In 1916, India had eighteen thousand agricultural co-operative societies with a membership of seven hundred thousand, and one thousand non-agricultural societies. In Bombay there were more than two thousand societies in 1919, owning ten million dollars worth of property. The movement is rapidly increasing. By means of loans, from agricultural credit societies, the ryots in India are tending to emancipate themselves from the thralldom of the centuries.

UNITED STATES

Progress in Co-operation in the United States has been most chequered. Yet in no other country has co-operative enthusiasm launched its enterprises more frequently than in the United States. Ever since 1830, idealists, labor men and farmers, have initiated co-operative enterprises from Florida to Alaska. Those that have survived still hold the torch aloft; those that have died out, though not lacking in initial enthusiasm, either died from lack of a grasp of sound principles of procedure, or from a failure to unite their society with other groups, and through strength and purchasing power, guarantee the movement its much needed solidarity. There are today probably three thousand consumers' societies with over five hundred thousand members. The chief strength exists outside the large cities, among the trade unions, the miners and railroad men, the farmers, and foreign groups. There is a growing tendency among government employees to organize consumers' societies. The principles and methods of most of the organizations follow the Rochdale plan. Many of the stores are federated and own their own buildings and meeting halls.

The movement that shows the greatest amount of intelligence and that possesses the traditions necessary for success is that of the Finns. Its twenty thousand members are mostly trade union Socialists. One hundred and fifty societies are federated in groups around Boston, Massachusetts, and Superior, Wisconsin. The Finnish movement resembles the Belgian more than any other. Their property is valued at over one million dollars and includes two amusement parks and numerous meeting halls for musical, dramatic and educational purposes. The Finnish co-operative publishing houses distribute nearly one hundred thousand dollars worth of literature during a single year.

One of the most earnest of the foreign groups in the industrial centers of the eastern States is the Federation of Jewish Co-operative Societies. Its members conduct restaurants, bakeries, butcher-shops, and farm organizations.

In the northern peninsula of Michigan there are over forty societies, some of them thirty years old. The southern part of the state has over a

hundred more. One at Ishpeming has a thousand members. It sells everything; groceries, furniture, hardware, and clothing. It does a business of three hundred thousand dollars a year.

Groups of miners and of steel workers have organized co-operative stores in Pennsylvania under the encouragement of the State Federation of Labor and of the United Mine Workers. There are about two hundred societies in Pennsylvania with an average membership of 150 each.

Illinois has about one hundred and fifty societies. The dominant influence among them is also that of the United Mine Workers. About half of these are connected with the Central States Wholesale Co-operative Society. There are about forty independent Rochdale societies owning stock in the wholesale, and sixty trade union stores connected with it. The business of this wholesale in 1920 averaged \$300,000 a month. It has \$300,000 capital resources, and in 1919, in its first year of existence, it created from its surplus-savings a reserve of \$18,000. It owns its own warehouse in East St. Louis, Illinois. The \$10,000,000 annual business which all these Illinois societies do is largely in the hands of workmen who have come out of the mines and shops and taken charge of financial affairs. The Palatine Co-operative Society, of Chicago, with 1,200 members, conducts a training school with 400 Polish students. This society has a capital of \$500,000.

Illinois is but an index of what is going on in the neighboring states. Groups of societies are developing in Missouri, Indiana, Ohio, Arkansas, and the other middle western states.

In the northwest the labor unions of Seattle have become interested in Co-operation. They organized the Food Products' Association and took over a large market building, where they do a business in meat and groceries. Their market is a concrete building with its own ice plant and cold storage. Among these Washington co-operatives are found a laundry, printing plant, several shingle mills, fish cannery, and recreation houses.

An older Co-operative Movement is found in California. The Rochdale movement was started there fully twenty years ago. It experienced many vicissitudes. The Pacific Co-operative League was incorporated in 1913. It organizes branch stores in Arizona, New Mexico, Nevada and California, and conducts a wholesale.

The Farmers' Educational and Co-operative Union spread from Texas, where it was organized in 1902, into nearly every state. It is particularly strong in Kansas where there are 750 co-operative societies conducting retail stores, dealing in groceries, clothing, shoes, dry-goods, hardware and furniture. They also conduct exchanges for the sale of hay, coal, fertilizer, seeds and farm machinery, and for the marketing of farm produce. There are many co-operative grain elevators. Several societies have their own flour mills. One farmers' society does a business of \$5,000,000 annually; its retail store has a yearly turnover of \$400,000. The total business of the 600 societies of the Kansas Union alone amounted to \$200,000,000 in the year of 1919. The total business of the 150 independent store societies in that state outside of the farmers' organizations was estimated in 1919 to be \$20,000,000. The Farmers' State Exchange at Omaha, Nebraska, is a central wholesale house doing a business of \$3,000,000 a year, and dealing in everything from mittens to mowing machines. Kansas and Nebraska may now be said to be the greatest co-operative states in the union.

Iowa has about 300 societies operating retail stores. Missouri and Oklahoma each has 100 distributive societies. Many stores and farmers' societies in Idaho, Montana, North Dakota and Minnesota are being organized by the American Society of Equity.

(Credit Unions and Co-operative Banks have not played so large a part in the United States as in Europe.) In Massachusetts there are sixty credit unions, with 23,000 shareholders. The assets of these credit unions are nearly \$2,600,000. (The First National Co-operative Bank was organized by the Brotherhood of Locomotive Engineers, and was opened by them in Cleveland, Ohio, in 1920, with a paid-in capital stock of \$1,000,000. Some of the reasons for the dearth of co-operative banking societies in the United States may be due to the great number of building and loan associations which have served a similar purpose, although their methods vary from that of co-operative banking. The other reason may be the presence of so-called fraternal societies, which carry on life insurance and other activities, which also progressed during the past fifty years. These organizations are co-operative to a high degree. There are in the United States over 550 fraternal beneficiary societies, with over 9,000,000 members and nearly \$10,000,000,000 of insurance in force. About \$100,000,000 annually in benefits are paid. Since 1868, these societies have paid to the families of deceased members nearly \$2,500,000,000 of which amount the Ancient Order of United Workmen has paid \$250,000,000. Women are prominent in the work of these societies. These fraternal organizations are not yet identified with the Co-operative Movement.

(One of the most successful forms of Consumers' Co-operation in the United States is seen in farmers' fire insurance.) There are about 2,000 of these mutual fire insurance companies. They carry insurance exceeding \$5,250,000,000 on property valued at nearly seven billion dollars. This insurance is carried at one-half the rate charged by the commercial companies. The insurance is cheaper because the expenses are less and the moral hazard is largely removed.

A peculiarity of the movement here are the standards maintained among its employees. They are paid on the whole better than the employees in similar private businesses. Union labor is preferred by most and insisted upon by a large proportion of the societies.

The Co-operative Movement in America has undergone a revival during the past few years. It is now developing in close alliance with the Labor Movement.

The Second National Convention constituted The Co-operative League of America as the national central educational organization, and recommended that all co-operative societies should join it. The League publishes a large amount of literature which it sends out at cost to every part of the country. It has made it possible for societies to secure standardized information on all aspects of Co-operation, so that no longer will isolated societies be obliged to experiment for themselves. It has connections in every state and sends out advisers and lecturers. Its educational work fills a need never before supplied in this country; and through its affiliation with the International Co-operative Alliance it connects the American movement with world Co-operation.

As soon as Co-operators in the United States join together for unified action, and recognize that isolated co-operative shopkeeping or producing

is only a first step towards the New World for which Co-operators are seeking, as soon as all the societies unite and pledge themselves to work together for the common goal, then Co-operation may become as great a power for economic emancipation and social justice in America as it is becoming in other countries.

Co-operation in 1921 is at a turning point in its history. New tasks and new conditions face it. New obstacles are to be overcome. Constant educational work and steady, sound organization and training of the people in the principles and ideals of co-operation, will have to be undertaken in the United States to meet the challenge of the new day.

INTERNATIONALISM

After all the disillusionment following the World War, with its racial hatreds and economic rivalries, it is encouraging to dwell in closing on the real international spirit of Co-operation. Friendly relations between the nations have been promoted in the past by the triennial conferences of the International Co-operative Alliance. At its meeting the year before the war, fifteen million members sent delegates from twenty-four countries. After the war broke out, it raised funds for the relief of helpless Germans and Austrians stranded in Great Britain. The German Co-operators also looked after the English and French who needed assistance in Germany in the early days of the war. The monthly Bulletin of the International Co-operative Alliance continued to be published even during the war, with articles from England, Germany, Austria, France and Russia in the same issue. Before the war, a measure of direct international trade had been organized. The English societies took dairy products from Denmark, and hides, wool, flax and grain from Russia, returning manufactured articles—tools, shoes, clothing, furniture and machinery. The Swiss Co-operators sent dairy products and received in return the silk and woolen materials from France and Scotland.

But today it is throughout Central Europe that the greatest need for direct international exchange is felt. There, co-operators have built up organizations which have the confidence of the people and the support of the governments. By their courage and enterprise in the midst of stupendous difficulties, they have served the people better than most of the private traders. Today, however, they are crippled. They should buy from abroad the raw materials they need, but buy them not with worthless crowns. While their factories are idle for want of raw materials, their workers are hungry. They cannot purchase the things they need from England, France and Belgium, and in these countries, factories go on half time in consequence. Their workers are thrown out of work and their co-operative trade suffers also. The unhampered exchange of goods is the only way to stop unemployment with all its evil consequences, and to help reconstruct European trade and industry. Only thus can the economic life of both the Central Powers and Allied Nations prosper. The markets and sources of supply today can best be brought together by means of international co-operative trade.

Co-operation introduces the spirit of fellowship between individuals; among races and nationalities it breaks down the old animosities and substitutes mutual aid for economic competition. Just as Co-operation among

INTENTIONAL SECOND EXPOSURE

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(Credit Unions and Co-operative Banks have not played so large a part in the United States as in Europe.) In Massachusetts there are sixty credit unions, with 23,000 shareholders. The assets of these credit unions are nearly \$2,600,000. (The First National Co-operative Bank was organized by the Brotherhood of Locomotive Engineers, and was opened by them in Cleveland, Ohio, in 1920, with a paid-in capital stock of \$1,000,000. Some of the reasons for the dearth of co-operative banking societies in the United States may be due to the great number of building and loan associations which have served a similar purpose, although their methods vary from that of co-operative banking. The other reason may be the presence of so-called fraternal societies, which carry on life insurance and other activities, which also progressed during the past fifty years. These organizations are co-operative to a high degree. There are in the United States over 550 fraternal beneficiary societies, with over 9,000,000 members and nearly \$10,000,000,000 of insurance in force. About \$100,000,000 annually in benefits are paid. Since 1868, these societies have paid to the families of deceased members nearly \$2,500,000,000 of which amount the Ancient Order of United Workmen has paid \$250,000,000. Women are prominent in the work of these societies. These fraternal organizations are not yet identified with the Co-operative Movement.)

(One of the most successful forms of Consumers' Co-operation in the United States is seen in farmers' fire insurance.) There are about 2,000 of these mutual fire insurance companies. They carry insurance exceeding \$5,250,000,000 on property valued at nearly seven billion dollars. This insurance is carried at one-half the rate charged by the commercial companies. The insurance is cheaper because the expenses are less and the moral hazard is largely removed.

A peculiarity of the movement here are the standards maintained among its employees. They are paid on the whole better than the employees in similar private businesses. Union labor is preferred by most and insisted upon by a large proportion of the societies.

The Co-operative Movement in America has undergone a revival during the past few years. It is now developing in close alliance with the Labor Movement.

The Second National Convention constituted The Co-operative League of America as the national central educational organization, and recommended that all co-operative societies should join it. The League publishes a large amount of literature which it sends out at cost to every part of the country. It has made it possible for societies to secure standardized information on all aspects of Co-operation, so that no longer will isolated societies be obliged to experiment for themselves. It has connections in every state and sends out advisers and lecturers. Its educational work fills a need never before supplied in this country; and through its affiliation with the International Co-operative Alliance it connects the American movement with world Co-operation.

As soon as Co-operators in the United States join together for unified action, and recognize that isolated co-operative shopkeeping or producing

is only a first step towards the New World for which Co-operators are seeking, as soon as all the societies unite and pledge themselves to work together for the common goal, then Co-operation may become as great a power for economic emancipation and social justice in America as it is becoming in other countries.

Co-operation in 1921 is at a turning point in its history. New tasks and new conditions face it. New obstacles are to be overcome. Constant educational work and steady, sound organization and training of the people in the principles and ideals of co-operation, will have to be undertaken in the United States to meet the challenge of the new day.

INTERNATIONALISM

After all the disillusionment following the World War, with its racial hatreds and economic rivalries, it is encouraging to dwell in closing on the real international spirit of Co-operation. Friendly relations between the nations have been promoted in the past by the triennial conferences of the International Co-operative Alliance. At its meeting the year before the war, fifteen million members sent delegates from twenty-four countries. After the war broke out, it raised funds for the relief of helpless Germans and Austrians stranded in Great Britain. The German Co-operators also looked after the English and French who needed assistance in Germany in the early days of the war. The monthly Bulletin of the International Co-operative Alliance continued to be published even during the war, with articles from England, Germany, Austria, France and Russia in the same issue. Before the war, a measure of direct international trade had been organized. The English societies took dairy products from Denmark, and hides, wool, flax and grain from Russia, returning manufactured articles—tools, shoes, clothing, furniture and machinery. The Swiss Co-operators sent dairy products and received in return the silk and woolen materials from France and Scotland.

But today it is throughout Central Europe that the greatest need for direct international exchange is felt. There, co-operators have built up organizations which have the confidence of the people and the support of the governments. By their courage and enterprise in the midst of stupendous difficulties, they have served the people better than most of the private traders. Today, however, they are crippled. They should buy from abroad the raw materials they need, but buy them not with worthless crowns. While their factories are idle for want of raw materials, their workers are hungry. They cannot purchase the things they need from England, France and Belgium, and in these countries, factories go on half time in consequence. Their workers are thrown out of work and their co-operative trade suffers also. The unhampered exchange of goods is the only way to stop unemployment with all its evil consequences, and to help reconstruct European trade and industry. Only thus can the economic life of both the Central Powers and Allied Nations prosper. The markets and sources of supply today can best be brought together by means of international co-operative trade.

Co-operation introduces the spirit of fellowship between individuals; among races and nationalities it breaks down the old animosities and substitutes mutual aid for economic competition. Just as Co-operation among

individuals should remove private profit, privilege and waste, so Co-operation among the peoples of various nations should eliminate the human tragedies as well as the economic destruction that exists today as a result of competitive rivalry. In the reorganization of the world now proceeding Co-operation is destined to play a great role. The internationalism, the idealism and the soundness of the methods and purpose of the Co-operative Movement destine it to be a factor in the liberation of the world. It is the foundation for a true, economic and social democracy.

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